

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

MEETING MINUTES

APRIL 13, 2022

Members Present: Commissioners Magsig, Robertson, Santoyo, Yep, Brandau

Members Absent: None

Staff Present: David E. Fey, LAFCo Executive Officer
Amanda Olivas, Clerk to the Commission
Amanda Castro, LAFCo Analyst
Kaylie Griffin, LAFCo Intern
Kenneth Price, LAFCo Counsel

1. Call to Order and Roll Call

Chair Brandau called the meeting to order at 1:30 p.m.

2. Pledge of Allegiance

Commissioner Yep lead the Pledge of Allegiance.

Chair Brandau noted that after item 4 (potential conflicts of interest) is covered, the Commission will go into closed session to conduct item 13. Once that item is complete, the Commission will convene in open session and move item 6 to the end of the meeting.

3. Comments from the Public

There were no comments from the public.

4. Potential Conflicts of Interest

Chair Brandau and Commissioner Magsig stated that they may have potential conflicts with Item 6- City of Sanger "North Academy Corridor Annexation" and will recuse themselves at that time.

Commissioner Yep added a correction for the record to item 5-A (March 9th Minutes): The City of Kerman was not involved; he was referring to his private company Valley Food Super Center, that was represented by Attorney David Fike.

13. CLOSED SESSION

Public Employment Appointment

Title: Executive Officer Candidate Interview

LAFCo Legal Counsel Price reported out of closed session that there was no action to report.

At this time, an individual from the public created a disruption at the lectern. Commissioner Magsig led the individual outside to address the party's concerns.

CONSENT AGENDA

5-A. Consider Approval: Minutes from the LAFCo meeting of March 9, 2022.

5-B. Consider Approval: City of Fowler "Armstrong-Adams Reorganization."

Commissioner Yep made motion to approve the consent agenda, seconded by Commissioner Santoyo. The Commission approved the motion by a vote of 4-0-1-0.

Legal Counsel Price clarified Item 6 will be heard after Item 12.

REGULAR AGENDA ITEMS

7. Consider Adoption: Municipal Service Review and Sphere of Influence Update for County Service Area 32 (LAFCo File No. USOI-206)

Executive Officer Fey reported that CSA 32 provides municipal services to a rural community. Fey reported the County facilities are outdated, not capable of producing consistent, potable water and that the County proposed a water treatment system requiring the expansion the sphere of influence. Fey presented a current and a proposed map containing modifications to the sphere of influence and recommended approval.

There were no comments from the Commission.

There were no comments from the public.

Commissioner Santoyo made motion to approve item 7, seconded by Commissioner Yep. The Commission approved the motion by a vote of 4-0-1-0.

8. Consider Approval: County Service Area 32 "CSA 32 Annexation No. 1" (LAFCo File No. AD-21-01)

LAFCo Analyst Amanda Castro presented a proposed change of reorganization consisting of 49.10 acres. Staff recommended approval based on two separate actions.

There were no comments from the Commission.

There were no comments from the public.

Commissioner Yep made motion to approve item 8 action 1, seconded by Commissioner Santoyo. The Commission approved the motion by a vote of 4-0-1-0.

Commissioner Yep made motion to approve item 8 action 2, seconded by Commissioner Santoyo. The Commission approved the motion by a vote of 4-0-1-0.

9. Workshop: Preliminary Budget and Work Plan for Fiscal Year 2022-23

Executive Officer Fey presented the status of the preliminary budget. Fee revenues are below projection due to fewer applications due in part to the lack of a tax sharing agreement between Fresno County and the City of Fresno. Preliminary budget for next year amounts to \$563,000. Fey recommended the Senior Analyst position be replaced by LAFCo Analyst 1 and continued use of a part-time student intern.

Commissioner Santoyo inquired whether Fey foresees the current trend changing both in the short-term and long-term. Fey projected this fiscal year will be closer to goal and noted Commissioner Magsig's concern from previous hearings about the long-term health of LAFCo's budget. Budget health could be ensured by the County and cities agreeing to the necessity of a larger allocation. Also noted the Commission does not have special district representation, which would spread LAFCo's operational expenses across more agencies.

Chair Brandau suggested if now is the appropriate time to raise allocations charged to the County and cities and asked Fey to further investigate options.

Commissioner Robertson asked Brandau and Fey if LAFCo is currently drawing on reserves with the deficit. Fey stated this is the first year to draw on reserves. The Commission can build reserves back in next year's budget.

Commissioner Robertson asked if policy requires LAFCo to keep the reserve at a certain percentage of the overall budget. Fey clarified it is not policy, rather a practice.

Commissioner Magsig returned to the meeting at 2:56 p.m.

Commissioner Magsig noted a correction to Attachment A. Magsig asked if the County and cities were notified about the proposed fee increases.

Fey stated that they were not notified but they would be when the proposed budget presented in May. He observed that several cities have reached out to him already regarding future allocations.

Magsig noted the majority of the proposed 2022-2023 budget comes from application fees, the County, and cities, however, there is a deficit that needs to come from reserves and savings. Magsig inquired about the reserve amount. Fey confirmed the reserve amount, stating the Commission has the discretion of using the reserve or leaving it as is.

Magsig sought clarification on the decreasing reserve amount. Fey stated reserves will need to be used if the Commission chooses to not increase allocation to the County and cities. Regarding revenue, fees are uncertain, but allocation is sure.

There were no other comments from the Commission.

There were no comments from the public.

This is a receive and file item, no action is needed.

10. Workshop: Policy Manual Update

Executive Officer Fey presented a systemic update to the policy manual, which is based on resolution of issues largely addressing the competitive development era between the City of Fresno and the County during the 1970s. The proposed revisions offer clearer, up-to-date, and focused intent for the Commission based on current legislature. Fey looked for direction from the Commission.

Santoyo stated the policy manual update is long overdue for an update. The Commission will review the update and report back next month.

Fey recommended the Commission conduct other workshops on two portions of the policy document before a public hearing.

There were no other comments from the Commission.

There were no comments from the public.

This is a receive and file item, no action is needed.

11. Executive Officer Comments

No comments to report.

12. Commission Comments/Reports

Commissioner Santoyo noted the Governor issued an executive order regarding groundwater usage and is applicable to future development projects.

6. Consider Approval: City of Sanger “North Academy Corridor Annexation”

Chair Brandau and Commissioner Magsig recused themselves from this item due to a potential conflict of interest.

Chair Pro Tem Santoyo took over the meeting as Chair.

LAFCo Analyst Amanda Castro presented the report of recommendations and proposal continued from the March 9th hearing.

Chair Pro Tem Santoyo opened the floor to public comment.

Sanger City Manager Tim Chapa, applicant for annexation process on behalf of Sanger, reported unchanged status among opposed parties, and expressed support for the annexation.

Dirk Poeschel on behalf of Chris Smith, owner of NW corner of Butler and Academy, requested commitment for fire protection and potable water from the City of Sanger.

Commissioner Yep summarized Dirk Poeschel and his client's request for water services, which is a condition of City annexation.

Dirk Poeschel confirmed his request for water services upon annexation.

Commissioner Yep stated LAFCo cannot require a city to make a commitment to fulfill the needs being requested.

LAFCo Council Price stated LAFCo does not have conditioning authority to require a city comply, and cited LAFCo Terms and Conditions Govt Code 56886, sub-J.

Dirk Poeschel and client Chris Smith favored annexation if water services would be provided. When asked by Commissioner Yep to clarify their position, Poeschel expressed support for the annexation with water assurances.

Poeschel confirmed issues from the previous hearing, including right-of-way, have been resolved.

Chapa stated that upon annexation the Smith parcel will transition from requiring extraterritorial services outside the city limits to inside Sanger city limits. Also noted there was no response from the opponent following the previous hearing until two minutes before the current hearing. Chapa noted the City never received the letter in question from the opponent and will evaluate the completed application in a timely manner according to procedure upon submittal by the Smith's.

Chair Pro Tem Santoyo answered the landowner will get water service once the annexation process is complete.

Commissioner Yep interpreted CKH to mean that the resources need to support the annexation will be available and determined the purpose of LAFCo is therefore to either approve or deny the annexation.

Former Sanger Mayor Mike Montelongo, former Sanger Mayor Mark Johnson, former Sanger Mayor Frank Gonzales, Councilmember Hertado, Sanger Chamber President/CEO Karen Pearson, Sanger Mayor Pro Tem Daniel Martinez expressed support for the annexation.

There were no other comments from the Commission.

There were no other comments from the public.

Commissioner Yep made a motion to approve item 6 action 1, seconded by Commissioner Robertson. The Commission approved the motion by a vote of 3-0-0-2.

Commissioner Yep made motion to approve item 6 action 2, seconded by Commissioner Robertson. The Commission approved the motion by a vote of 3-0-0-2.

14. Adjournment

Commissioner Yep made motion to adjourn, seconded by Commissioner Robertson. The Commission approved the motion by a vote of 3-0-0-2.

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